

Message Text

UNCLASSIFIED

PAGE 01 REYKJA 00757 031518Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07
L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15
USIA-15 COME-00 EB-07 LAB-04 SIL-01 /081 W
-----040127Z 055267 /64

R 031207Z JUN 77
FM AMEMBASSY REYKJAVIK
TO SECSTATE WASHDC 7347
INFO COMICEDEFOR
CINCLANT
AMEMBASSY COPENHAGEN
AMEMBASSY OSLO
AMEMBASSY STOCKHOLM

UNCLAS REYKJAVIK 0757

E.O. 11652: N/A
TAGS: ELAB, IC
SUBJECT: SOME PROGRESS MADE IN LABOR TALK BUT THE MAJOR ISSUES
REMAIN UNRESOLVED

REF: (A) REYKJAVIK 0714; (B) REYKJAVIK 0644

1. SOME PROGRESS WAS MADE IN THE CURRENT LABOR CONTRACT
NEGOTIATIONS BETWEEN THE ICELANDIC FEDERATION OF LABOR (IFL)
AND LOCAL EMPLOYERS WHEN MOST OF THE TRADE UNIONS SEEM PREPARED
TO ACCEPT EMPLOYERS' OFFER FOR EQUIVALENT OF 2-1/2 PERCENT
SALARY INCREASE TO COVER CERTAIN SPECIAL DEMANDS (E.G. EXTRA VA-
CATION TIME, LONGER COFFEE BREAKS, CERTAIN SENIORITY BENE-
FITS, ETC.). THIS ISSUE HAD BECOME MAJOR STUMBLING BLOCK
IN NEGOTIATIONS AFTER EMPLOYERS ADOPTED POSITION THAT OTHER
MAJOR ISSUES COULD NOT BE DISCUSSED UNTIL QUESTION OF SPECIAL
DEMANDS WERE RESOLVED. ONLY MAJOR UNION WHICH REPORTEDLY
HAS NOT AS YET ACCEPTED THIS EMPLOYER OFFER IS SKILLED
CRAFTSMEN'S.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 REYKJA 00757 031518Z

2. TWO TOUGH ISSUES WHICH REMAIN OUTSTANDING ARE IFL
DEMANDS FOR ESTABLISHMENT OF MINIMUM MONTHLY WAGE FOR
UNSKILLED WORKERS OF 100,000 KRONUR (AT NOVEMBER 1,
1976 VALUE, WHICH GIVEN LOCAL INFLATION WOULD CURRENTLY
BE EQUIVALENT TO ABOUT 112,000 KRONUR OR \$580), AND A
MORE DIRECT LINKAGE BETWEEN WAGES AND COST OF LIVING
(INDEXATION). EMPLOYERS' ONLY FIRM PROPOSAL TO DATE

(REF B) WAS REJECTED OUT OF HAND BY THE UNIONS, AND
SUBSEQUENT COMPROMISE FORMULA BY STATE MEDIATION COMMIT-
TEE WAS TURNED DOWN BY EMPLOYERS (REF A).

3. ALTHOUGH SPATE OF VERY BRIEF WILDCAT STRIKES OR
WALKOUTS MENTIONED REF A HAS DIED DOWN FOLLOWING
ANNOUNCEMENT BY EMPLOYERS THAT THEY WOULD NOT NEGOTIATE
IN FACE OF SUCH PRESSURE TACTICS, SHORT GENERAL STRIKES
NOW APPEAR IN THE OFFING WITH IFL'S PUBLIC BLESSINGS.
(UNIONS HAD ORIGINALLY DENIED RESPONSIBILITY FOR WILD-
CAT STRIKES). UNIONS HAVE NOW SCHEDULED SERIES OF 24-
HOUR GENERAL STRIKES AROUND ICELAND INCLUDING ONE IN
REYKJAVIK AREA ON JUNE 3 AND ANOTHER ONE IN KEFLAVIK
AREA ON JUNE 6 (LATTER IS EXPECTED TO CLOSE DOWN KEFLAVIK
INTERNATIONAL AIRPORT THAT DAY). WHEN ASKED IF RECENT
PROGRESS ON SPECIAL DEMANDS ISSUE WOULD ALTER THESE
STRIKE PLANS, IFL CHAIRMAN BJORN JONSSON REPLIED TO
CONTRARY THAT STRIKE PLANS WERE STILL IN EFFECT AND
THAT EVEN MORE SERIOUS MEASURES WOULD BE TAKEN AFTERWARD
IF NO FURTHER PROGRESS WERE MADE AT NEGOTIATING TABLE.
BAN ON OVERTIME, INITIATED BY UNIONS ON MAY 1, CONTINUES
IN EFFECT.

4. IFL CONTINUES TO STOP SHORT OF CALLING FOR FULL
SCALE, COUNTRY-WIDE GENERAL STRIKE OF KIND THAT BROUGHT
ICELANDIC ECONOMY ALMOST TO STANDSTILL DURING LAST
YEAR'S NEGOTIATIONS. THIS COULD REFLECT BELIEF BY
UNIONS THAT CURRENT TACTICS WILL ACHIEVE LABOR'S GOALS.
HOWEVER, IT MAY ALSO REPRESENT MAXIMUM MUSCLE IFL CAN
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 REYKJA 00757 031518Z

MUSTER AT THIS TIME (REF A). IN ADDITION, OVERTIME
BAN, HAVING CUT SHARPLY INTO EARNINGS OF MANY UNION
MEMBERS, HAS ALMOST CERTAINLY REDUCED THEIR ABILITY TO
AFFORD STRIKE, ESPECIALLY A LONG ONE.
BLAKE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LABOR, PROGRESS REPORTS, CONTRACTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977REYKJA00757
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770199-0380
Format: TEL
From: REYKJAVIK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770692/aaaaddal.tel
Line Count: 102
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 674fc785-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 REYKJAVIK 714, 77 REYKJAVIK 644
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2286130
Secure: OPEN
Status: NATIVE
Subject: SOME PROGRESS MADE IN LABOR TALK BUT THE MAJOR ISSUES REMAIN UNRESOLVED
TAGS: ELAB, IC
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/674fc785-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009